

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



DESERT HILLS WATER CO., INC.
34647 N. 10TH STREET
PHOENIX, AZ 85086

W-02124A

RECEIVED

MAY 24 2006

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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Entered
5.24.06
RF

COMPANY INFORMATION

Company Name (Business Name) DESERT HILLS WATER CO., INC.

Mailing Address 34647 N. 10TH STREET
(Street)

PHOENIX
(City)

AZ
(State)

85086
(Zip)

(623) 582-0219
Telephone No. (Include Area Code)

(623) 582-1365
Fax No. (Include Area Code)

(623) 780-9342
Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME AS ABOVE
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: MARY BETH ROWLAND
(Name) (Title)

34647 N. 10TH STREET
(Street)

PHOENIX
(City)

AZ
(State)

85086
(Zip)

(623) 582-0219
Telephone No. (Include Area Code)

(623) 582-1365
Fax No. (Include Area Code)

(623) 780-9342
Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: SAME AS ABOVE
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: RICHARD L. SALLQUIST

(Name)

2525 E. BILTMORE CIRCLE #117

(Street)

PHOENIX

(City)

AZ

(State)

85016

(Zip)

(602) 224-9222

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME**DESERT HILLS WATER CO., INC.****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	6,524		6,524
302	Franchises			
303	Land and Land Rights	157,147		157,147
304	Structures and Improvements	29,852	13,215	16,637
307	Wells and Springs	175,587	77,728	97,859
311	Pumping Equipment	485,213	214,791	270,422
320	Water Treatment Equipment	8,226	3,641	4,585
330	Distribution Reservoirs and Standpipes	645,230	285,626	359,604
331	Transmission and Distribution Mains	3,745,090	1,657,850	2,087,240
333	Services	121,538	53,802	67,736
334	Meters and Meter Installations	212,497	94,067	118,430
335	Hydrants	8,229	3,643	4,586
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	137,614	60,918	76,696
341	Transportation Equipment	69,238	30,650	38,588
343	Tools, Shop and Garage Equipment	112,734	49,904	62,830
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTALS	5,914,719	2,545,834	3,368,885
	Book Value Retired Plant		(494)	494
	TOTALS	5,914,719	2,545,340	3,369,379

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**DESERT HILLS WATER CO., INC.****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	6,524		
302	Franchises			
303	Land and Land Rights	157,147		
304	Structures and Improvements	29,852	5%	1,493
307	Wells and Springs	175,587	5%	8,719
311	Pumping Equipment	485,213	5%	23,924
320	Water Treatment Equipment	8,226	5%	411
330	Distribution Reservoirs and Standpipes	645,230	5%	25,197
331	Transmission and Distribution Mains	3,745,090	5%	181,505
333	Services	121,538	5%	5,827
334	Meters and Meter Installations	212,497	5%	10,530
335	Hydrants	8,229	5%	411
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	137,614	5%	6,725
341	Transportation Equipment	69,238	5%	3,462
343	Tools, Shop and Garage Equipment	112,734	5%	5,451
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTALS	5,914,719		273,655
	Less: Amortization of Contributions			(66,135)
	Plus: Depreciation on Retired Plant			544
	TOTALS	5,914,719		208,064

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

**ULLMANN
& COMPANY P.C.**
Certified Public Accountants

To The Board of Directors of
Desert Hills Water Company, Inc.
Phoenix, Arizona

We have compiled the balance sheet of Desert Hills Water Company, Inc. as of December 31, 2005 and 2004, and the related comparative statement of income and expense for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

May 17, 2006

COMPANY NAME**DESERT HILLS WATER CO., INC.****BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 478,222	\$ 366,901
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	0	8,716
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	41,212	66,966
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 519,434	\$ 442,583
	FIXED ASSETS		
101	Utility Plant in Service	\$ 5,358,850	\$ 5,914,719
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	2,271,140	2,545,340
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 3,087,710	\$ 3,369,379
	TOTAL ASSETS	\$ 3,607,144	\$ 3,811,962

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME DESERT HILLS WATER CO., INC.
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BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 246	\$ 246
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	75,633	66,783
236	Accrued Taxes	0	27,360
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	5,501	11,119
	TOTAL CURRENT LIABILITIES	\$ 81,380	\$ 105,508
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	2,684,760	2,601,134
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	1,228,175	1,537,163
272	Less: Amortization of Contributions	350,662	416,797
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 3,562,273	\$ 3,721,500
	TOTAL LIABILITIES	\$ 3,643,653	\$ 3,827,008
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 53,620	\$ 53,620
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(90,129)	(68,666)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (36,509)	\$ (15,046)
	TOTAL LIABILITIES AND CAPITAL	\$ 3,607,144	\$ 3,811,962

COMPANY NAME**DESERT HILLS WATER CO., INC.****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,100,985	\$ 1,112,219
460	Unmetered Water Revenue		
474	Other Water Revenues	7,755	4,230
	TOTAL REVENUES	\$ 1,108,740	\$ 1,116,449
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 240,056	\$ 239,943
610	Purchased Water	37,322	58,027
615	Purchased Power	88,572	87,070
618	Chemicals		
620	Repairs and Maintenance	40,206	35,665
621	Office Supplies and Expense	28,328	34,160
630	Outside Services	11,837	18,526
635	Water Testing	7,202	5,735
641	Rents	12,000	12,000
650	Transportation Expenses	15,441	14,949
657	Insurance - General Liability	22,818	23,537
659	Insurance - Health and Life	6,424	5,892
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	85,542	61,867
403	Depreciation Expense	197,494	208,064
408	Taxes Other Than Income	18,446	19,248
408.11	Property Taxes	52,276	54,720
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 863,964	\$ 879,403
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 4,064	\$ 5,652
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	11	6,233
427	Interest Expense	1,909	2,724
	TOTAL OTHER INCOME/EXP	\$ 2,144	\$ (3,305)
	NET INCOME/(LOSS)	\$ 246,920	\$ 233,741

COMPANY NAME **DESERT HILLS WATER CO., INC.**

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$ 147,907</u>
Meter Deposits Refunded During the Test Year	<u>\$ 29,723</u>

COMPANY NAME **DESERT HILLS WATER CO., INC.**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-631199	60	200	800	8	4	1972
55-087696	20	100	800	8	4	1981
55-559935	75	380	1000	10	4	1997

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Cave Creek Water Co.	200	28889.95

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	2	60	
15	6		
25	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
107,000	1	5000	3
103,000	1		
250,000	1		
300,000	1		

COMPANY NAME **DESERT HILLS WATER CO., INC.**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	ACP	6,208
5		
6	ACP, PVC, DIP	149,489
8	ACP, PVC, DIP	84,766
10		
12		
14	DIP	140

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1527
3/4	2
1	66
1 1/2	3
2	9
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
Standpipe	17
Commercial Metered	1
Commercial Stdpipe	2

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

Office 32 x 24, Storage Bldg. 10 x 12

OTHER:

Site fencing, 1996 590SL Case Backhoe, 1996 Dodge 1/2 Ton Truck,
1997 Chev Utility Bed Truck, Flatbed Trailer, 2000 Polaris Quad,
2001 Polaris Quad, 2003 Polaris Quad, Variety of tools & equipment.

COMPANY NAME: DESERT HILLS WATER CO., INC.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1972	12,760,325.16	10,067.23
FEBRUARY	1566	14,376,546.12	9,427.87
MARCH	1578	9,566,985.36	14,579.42
APRIL	1586	19,368,583.44	16,424.33
MAY	1602	22,604,283.87	18,555.23
JUNE	1603	24,520,287.75	22,901.80
JULY	1606	28,003,634.94	23,418.52
AUGUST	1616	26,550,339.48	24,939.94
SEPTEMBER	1623	24,357,362.25	20,540.23
OCTOBER	1623	21,731,003.19	18,174.07
NOVEMBER	1623	20,711,089.56	17,570.10
DECEMBER	1627	17,801,240.13	19,646.14
Fire Dept. .06	19,551.06	TOTAL	242,351,681.25
			225,244.88

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(x) Yes () No

If yes, provide the GPCPD amount: Residential-120 GPCPD
Non-Residential-18 GPCPD

What is the level of arsenic for each well on your system. .008 Well 2mg/l
(If more than one well, please list each separately.) .009 Well 3
.012 Well 4

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME DESERT HILLS WATER CO., INC. YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 27,360

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

22575

DESERT HILLS WATER CO.

34647 N. TENTH ST.
PHOENIX, ARIZONA 85086
(623) 582-0219

BANK OF AMERICA, ARIZONA

91-170/1221

11/7/2005

PAY
TO THE
ORDER OF

Maricopa County Treasurer

\$ **27,360.09

DOLLARS

Twenty-Seven Thousand Three Hundred Sixty and 09/100*****

Maricopa County Treasurer
P.O. Box 78574
Phoenix, AZ 85062-8574

Mary B. Loveland
AUTHORIZED SIGNATURE

MEMO

2005 prop. taxes 607-79-707,607-79-700211-52-032T, 211-52-

⑈022575⑈ ⑆122101706⑆ 000067120699⑈

⑈0002736009⑈

Security features. Details on back.

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

MAY 24 2006

**AZ CORP COMM
Director Utilities**

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)
MARICOPA
NAME (OWNER OR OFFICIAL) TITLE
MARY BETH ROWLAND, PRESIDENT
COMPANY NAME
DESERT HILLS WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Mary L Ryplinger
SIGNATURE OF OWNER OR OFFICIAL
623-582-0219
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

19

DAY OF

May



**Notary Public State of Arizona
Maricopa County
Frances A. Holton-Schwandt
(SEAL)
Expires August 19, 2006**

COUNTY NAME
<i>Maricopa</i>
MONTH
<i>May</i>
YEAR
<i>2006</i>

MY COMMISSION EXPIRES

August 19, 2006

Frances A. Holton-Schwandt
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME DESERT HILLS WATER CO., INC. YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A – S-CORP
Estimated or Actual Federal Tax Liability N/A – S-CORP

State Taxable Income Reported N/A – S-CORP
Estimated or Actual State Tax Liability N/A – S-CORP

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Mary L. Rupplinger 5-19-06
SIGNATURE DATE

MARY L. RUPPLINGER President
PRINTED NAME TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 24 2006

AZ CORP COMM
Director Utilities

**VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)
MARICOPA
NAME (OWNER OR OFFICIAL) TITLE
MARY BETH ROWLAND, PRESIDENT
COMPANY NAME
DESERT HILLS WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,183,849

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 67,400
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Mary L. Puppelinger
SIGNATURE OF OWNER OR OFFICIAL
623-582-0219
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



19
Notary Public State of Arizona
Maricopa County
Francis A. Molton-Schwandt
Expires August 19, 2006

DAY OF

COUNTY NAME
<u>Maricopa</u>
MONTH
<u>May</u>
YEAR
<u>2004</u>

MY COMMISSION EXPIRES August 19, 2006

Francis A. Molton-Schwandt
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAY 24 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME)	MARICOPA	
NAME (OWNER OR OFFICIAL)	MARY BETH ROWLAND	TITLE PRESIDENT
COMPANY NAME	DESERT HILLS WATER CO., INC.	

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,201,629

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 64,727
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Mary L. Pisslinger
SIGNATURE OF OWNER OR OFFICIAL
623-582-0219
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

19

DAY OF



Notary Public State of Arizona
Maricopa County
Frances F Holton-Schwandt
Expires August 19, 2006

MY COMMISSION EXPIRES

August 19, 2006
SIGNATURE OF NOTARY PUBLIC

NOTARY PUBLIC NAME <i>Frances F. Holton-Schwandt</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>May</i>	20 <i>06</i>